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# NRT REOExperts LLC

## Agent Expense Reimbursement Policies

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Subject: Agent Expense Reimbursement Policies

This document defines the expense reimbursement policies for all agents doing business with NRT REOExperts, LLC. These policies address expenses incurred by an assigned agent on a NRT REOExperts LLC asset. An agent who has or will have a REO assignment must adhere to this policy in order to have their expenses reimbursed. Any deviation from this policy requires the advance written approval of the Operations Manager. Interpretation of any aspect of this Policy document is at the sole discretion of the Operations Manager. This document shall supersede any prior expense policy document as of the date captioned above.

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### **I. Conflict Of Interest Policy**

- A. Acknowledging that real estate brokers and agents may also own or operate firms which provide property management, preservation and repair services, it is NRT REOExperts' policy that brokers and agents are not permitted to utilize these companies in conjunction with the management, preservation and repair of properties assigned to them by NRT REOExperts. When requested to provide bids, or coordinate these services in relation to a property assigned by NRT REOExperts, brokers and agents are required to utilize firms of which they do not have a personal or corporate affiliation. Violating this policy will result in the property being re-assigned to another broker or agent and may jeopardize the opportunity for future assignments.
  
- B. Any invoices submitted to NRT REOExperts LLC that violate this policy will not be paid.

## II. Expense Reimbursement Policy

This section reviews the specific policies for the reimbursement of agent expenses incurred while managing a NRT REOExperts LLC property.

- A. All agents are required to pay their own expenses for services initiated by them on a NRT REOExperts LLC property assignment, and then submit for reimbursement. NRT REOExperts does not pay a third party directly for an expense initiated by an agent, unless pre-approved by the assigned Asset Manager. NRT REOExperts LLC does not reimburse unpaid invoices.
- B. Cash is not an acceptable form of payment for any expenses. Any invoices submitted for reimbursement with a cash receipt will be rejected.
- C. All expenses are processed and paid through LPS Desktop Invoice Management. Therefore an agent must have an active LPS Desktop Invoice Management account in order to be reimbursed for any expense.
- D. All expenses must be submitted (showing “Submitted” status in Invoice Management) for reimbursement within 30 days of the service date for the expense and before the closing date of the property. (A “best practice” is for an agent to habitually submit all expenses for a property on the same day of each month during the life of an REO assignment to create a consistent 30 day billing cycle.)
- E. Only invoices for final utilities will be accepted for reimbursement after the closing date, dependent upon the client. All final utility expenses must be submitted within 20 days of the “closing date” unless indicated below under Section III “Client-Specific Exceptions to the Expense Reimbursement Policy”.
- F. Any invoice that contains a past-due balance (i.e. water, HOA fees) must be submitted with an account history from the entity providing service in order to be processed for payment. The account history must include the current balance due as well as a line-item history dating back to when a zero balance was indicated for the account. The account history must include the property address, service type, and service dates to be considered acceptable. If the service entity will not provide an account history, acceptable alternative documentation is either a statement on the entity’s letterhead providing the same information, or screen prints from the entity’s computer system identifiable as from the entity. (Please see below under Section III “Client-Specific Exceptions to the Expense Reimbursement Policy” for additional alternative documentation required for FDIC assets.)
- G. All reimbursable expenses that exceed the approved amounts and frequencies detailed below in Section IV “Reimbursable Expenses and Required Approvals” section require the written approval of the assigned Asset Manager or upper level of NRT REOExperts LLC management.
- H. An invoice submitted for reimbursement must include the property address, service type, and service date in order to be reviewed for payment. Any invoice that does not contain this information will be returned to the agent to resolve.
- I. All invoices submitted for reimbursement must include acceptable proof of payment in order to be reviewed for payment. Acceptable proofs of payment are defined as a check payable to the vendor, a credit card statement showing a charge to the vendor, or a cash or credit card receipt from the vendor. In all instances, the payer name on the account must match to the “Payee Name” (also known as “Broker Name”) in the agent’s Invoice Management account. Unacceptable proofs of payment include copies of “scheduled” payments that have not been consummated by the bank or payee as well as copies of online account activity for a credit or debit account.

- J. An agent bonus for the successful completion of relocation assistance is considered a commission and will only be paid to an agent's brokerage. Therefore an invoice payable to the brokerage with the brokerage's W-9 form is required. No payment will be made to an individual agent.
- K. All fees for providing a second opinion BPO are considered a commission and will only be paid to an agent's brokerage. Therefore an invoice payable to the brokerage with the brokerage's W-9 form is required. No payment will be made to an individual agent.
- L. Before and after photos are required to be submitted to Invoice Management along with the invoice for any repair that exceeds \$500.00. Photos must be submitted along with your invoice even if they were previously uploaded to other electronic systems or sent to a NRT REOExperts staff member.
- M. The appropriate subcategory that most closely matches the type of expense being submitted must be indicated when an invoice is submitted in Invoice Management. (Examples: the subcategory "Heating/Air" should be chosen for any HVAC-related service. The subcategory "Gas" should be chosen for a gas utility.)
- N. An agent must use extreme care when transposing data from an expense when creating an invoice submission in Invoice Management. This includes paying special attention to insure property addresses, service dates and dollar amounts are included and correct before submitting an invoice. Care should also be used to insure an invoice and all appropriate back-up is attached when submitting the invoice. The invoice, back-up, and any other documentation must match to the property for which the invoice is being submitted within Invoice Management. Missing or incorrect invoices, documentation, and data will require the invoice to be released back to the agent for resolution.
- O. An agent must use extreme care to insure a duplicate invoice is not submitted for an expense previously submitted.
- P. All invoices released to the agent for resolution within Invoice Management must be responded to within five calendar days. NRT REOExperts LLC reserves the right to decline an invoice submitted for resolution if the agent has not responded to the resolution request after five days.
- Q. The agent assigned to a NRT REOExperts property is considered the responsible party for an invoice regardless of who actually processed and submitted the invoice. The agent assigned to the property must insure all of their representatives, including broker, assistant, or office administrator complies with the guidelines contained within this policy document.
- R. NRT REOExperts LLC reserves the right to decline payment for any expense reimbursement request that does not conform to any or all of the above statements.

### **III. Client-Specific Exceptions to the Expense Reimbursement Policy**

Exceptions to the above Expense Reimbursement Policy are dictated by the specific client for whom NRT REOExperts LLC is servicing the property. Therefore an agent must be aware who the client is for their assigned property. This information is provided upon initial assignment in the Assignment Letter and can also be obtained from their Asset Manager.

- A. Final utility expenses for GMAC properties must be submitted within 5 days of the closed or lost date. If an invoice cannot be obtained by this deadline, an estimated amount is acceptable using the “Estimated Final Utilities for Homecomings/GMAC” form.
- B. A “Substitute for Invoice Payment Request” form signed by the appropriate NRT REOExperts LLC Asset Manager must be included with the acceptable alternative documentation specified above in section I, paragraph E for all FDIC properties.

#### IV. Reimbursable Expenses and Required Approvals.

This section details the various types of reimbursable expenses that are or may be incurred by an agent while managing a NRT REOExperts LLC property. An agent's exact responsibility for specific expense items is client-driven, and is normally detailed in their initial assignment instructions. NRT REOExperts LLC engages national vendors directly to handle most of the major expenses related to the management of a REO property, such as trash-outs and lawn start-ups. In most cases, the company pays for other substantial expenses such as Cash-for-Keys and HOA fees. Therefore, an agent must check their initial instructions before incurring any expense, other than utilities. Utilities are always the responsibility of the agent.

The list below details the types of reimbursable expenses along with the approval authority and any client specific restrictions. Most expenses require advance approval from the NRT REOExperts LLC Asset Manager. An agent is allowed to pay for some items in advance within specific cost and frequency guidelines. If an expense item exceeds the cost or frequency limitations indicated, advance written approval from their NRT REOExperts LLC Asset Manager is required for reimbursement. For any item not specifically detailed below, please seek advance approval from your NRT REOExperts LLC Asset Manager for any amount.

##### A. Electricity

1. Up to \$150 per month is pre-approved for an agent to pay for all clients.

##### B. Water/Sewer/Garbage

1. Up to \$150 per month is pre-approved for an agent to pay for all clients.
2. A complete and accurate "account history" is required (see section II, paragraph E) for delinquent/past-due balances.

##### C. Gas/Oil

1. Up to \$150 per month is pre-approved for an agent to pay for all clients.

##### D. Initial/Spring Lawn Service

1. All amounts require advance approval for all clients.
2. This work is normally initiated by NRT REOExperts LLC and handled by national vendors.
3. An invoice for this item must clearly state that the work is not recurring lawn service.

##### E. Recurring Lawn Service

1. Up to \$50 every 14 days is pre-approved for an agent to pay for ACQURA, ING, KEYBANK and PHH assignments before 4/30/10 only.
2. National vendors handle recurring lawn service for other clients and PHH assignments on 4/30/10 and after.
3. Any amount requires advance approval on FDIC properties.

##### F. Initial Pool Service

1. All amounts require advance approval for all clients.
2. This work is normally initiated by NRT REOExperts LLC and handled by national vendors. Therefore, an agent should check with their Asset Manager before incurring this expense.

G. Recurring Pool Service

1. Up to \$85 per month approved for ACQURA, FIFTH-THIRD, ING assignments on or after 1/01/10, MHFN, and PHH.
2. All amounts for KEYBANK, FDIC, and SUNTRUST properties require the Asset Manager's advance approval.
3. National vendors handle recurring pool service for all other clients.

H. Snow Removal

1. Up to \$50 when needed approved only for ACQURA, ING assignments on or after 1/01/10, and PHH assignments before 4/30/10.
2. Any amount requires advance approval on FDIC and KEYBANK properties.
3. National vendor handles snow removal for all other clients and PHH assignments on 4/30/10 and after.

I. Winterization

1. National vendors handle winterization for all clients.
2. An Asset Manager will request the agent handle winterization only in rare occasions, and would then approve the expense amount in advance.

J. De-winterization

1. National vendors handle de-winterization for all clients.
2. An Asset Manager will request the agent handle de-winterization only in rare occasions, and would then approve the expense amount in advance.

K. HOA/Condo Documents

1. Up to \$300 is approved one time only for all clients except FDIC.
2. Any amount must be approved for FDIC properties.

L. HOA/Condo Dues

1. This expense is normally paid directly to the HOA by NRT REOExperts LLC.
2. An agent is allowed to pay the expense and be reimbursed only if approved in advance.

M. Inspection Fees (Termite/WDO, Roof, HVAC, etc)

1. An agent is allowed to initiate services and pay an expense only if approved in advance.

N. City Inspection Fees

1. An agent is allowed to initiate services and pay an expense only if approved in advance.

O. Liens

1. An agent is allowed to pay an expense and be reimbursed only if approved in advance.

P. Minor Repairs

1. An agent is allowed to initiate services and pay an expense only if approved in advance.

Q. Rehab/Major Repairs

1. An agent is allowed to initiate services and pay an expense only if approved in advance.

R. Relocation Assistance (CFK)

1. This expense is normally paid by NRT REOExperts LLC and a check cut to the occupant.
2. An agent is allowed to pay the expense and be reimbursed only if approved in advance.

S. Relocation Assistance Agent Bonus

1. A few clients provide a bonus to the agent for successfully completing relocation assistance. An agent must be approved for this expense in advance by their Asset Manager.
2. An agent must submit an invoice to Invoice Management for this expense item in order to be reimbursed.

T. Sales Clean

1. This work is normally initiated by NRT REOExperts LLC and handled by national vendors. Therefore, an agent should check with their Asset Manager before incurring this expense.
2. An agent is allowed to initiate services and pay an expense only if approved in advance.

U. Second Opinion BPO

1. An agent is allowed to perform this service and be reimbursed only if approved in advance.
2. An agent must submit an invoice to Invoice Management for this expense item in order to be reimbursed.

## V. Non-Reimbursable Expenses

This section details items that are considered non-reimbursable expenses. The items below will not be processed for payment. Therefore an agent must not submit any of the expenses below.

- A. Initial Services (Lock Change, Trash-Out, Debris Removal)
  - 1. National vendors handle all initial services for NRT REOExperts LLC properties for all clients.
- B. Postage, courier, or delivery fees.
- C. Handwritten adjustments on utility bills.
- D. Reimbursable utility deposits or reimbursable connection fees.
- E. Buyer-related inspection fees.
- F. Occupancy check service fees.
- G. Travel time or transportation charges.
- H. Late charges of any kind.
- I. Advertising costs.
- J. An interior or drive-by BPO provided by the assigned agent intended for the use in marketing the property (unless specified to submit for payment if the property assignment is cancelled.)
- K. LPS Invoice Management registration or invoice submittal fees.

## **VI. Appendices**

- A. Please see Exhibit A (“Agent Expense Policy – FAQ”) for a listing of “Frequently Asked Questions” from agents regarding the company’s Expense Reimbursement Policy as well as inquiries about LPS Desktop Invoice Management. This document is available for download at [www.reoexperts.net](http://www.reoexperts.net) in the “Forms” section, under “General Forms”.
  
- B. Please see Exhibit B (“Sample Water Bill”) for an example of an acceptable “Account History” as discussed above in section II, paragraph E. This document is available for download at [www.reoexperts.net](http://www.reoexperts.net) in the “Forms” section, under “General Forms”.